



## Avigilon Corp. and Points International Ltd.: 2 High-Growth Tech Stocks That Can't Be Passed Up

### Description

The year has been a very tough one for many technology investors in Canada. Stock prices that had been soaring have come crashing back down to earth. This has happened even with companies that have performed very well.

As a result, there are now some fantastic opportunities available. Below we show two examples.

#### 1. Avigilon

It's been a tough year for **Avigilon Corp.** (TSX: AVO) and its shareholders. The provider of HD security camera solutions has seen its shares decline by more than 50% so far in 2014. What exactly is going on?

Well, for one, there have been some key personnel departures. The most notable was CFO Bradley Bardua, who resigned on the same day the company was due to report Q1 numbers. Furthermore, there have been concerns about margin pressure – in Q2, the EBITDA margin decreased to 13.4%, from 19.6% in Q1. Even more recently, a patent suit was filed against the company.

But there are legitimate explanations for all of these. First of all, the company has a very intense culture, which is not for everyone. The company is also investing heavily in pursuit of growth, which depresses margins. Finally, this patent has been challenged numerous times already.

Meanwhile, the company continues to perform very well. In the second quarter, the company grew revenues by a staggering 66%. And the company continues to face more demand than it can handle. So if you're willing to be patient, this stock could see tremendous gains in the years ahead.

#### 2. Points.com

It's also been a rough year for shareholders of **Points International Ltd.** (TSX: PTS)(Nasdaq: PCOM), with the shares down 42% so far this year.

Points International is best known for Points.com, where users can buy, sell, gift, and trade loyalty points. Importantly, Points.com has no serious competitors, allowing the company to grow very rapidly.

And that is exactly what has been happening. Over the past 12 months, revenue has totaled just over \$252 million, triple the \$80 million achieved in 2009. In Q1 and Q2 of this year, revenue growth came in at 58% and 68% respectively.

The knock on Points International has been its lack of profitability. For example, in 2013 its net income margin was a measly 2%. This is because the company allows its loyalty program partners to claim most of the profits. But in the long run, the prospects for Points Int'l are as bright as ever, and its stock price does not reflect that at all. This is a wonderful opportunity.

That being said, these are just two stocks you should buy. For help rounding out your portfolio, the free report below has five more companies you should consider.

## CATEGORY

1. Investing
2. Tech Stocks

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